

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

NOTICE OF PENDLETON COUNTY WATER DISTRICT)	
GAS DIVISION, TO INCREASE BASIC GAS RATES,)	CASE NO.
TO IMPOSE A TEMPORARY GAS SURCHARGE TO PAY)	8568
ITS SUPPLIERS AND MOTION FOR INTERIM RATES)	

O R D E R

On April 26, 1985, Columbia Gas Transmission Corporation and Columbia LNG Corporation (collectively referred to herein as "Columbia") filed a motion with the Commission requesting the following relief:

[E]njoin Harry Asher (manager of Pendleton County Water District) from removing any funds from the bank accounts or removing any of the utility's assets and that an Order be issued requiring Louis McClanahan, the Treasurer of Pendleton County Water District or another responsible member of the Commission to remove Harry Asher's name from all checking accounts and bank cards and to otherwise take charge of the Water District's funds and bank accounts and to divest Harry Asher of any further responsibility relative thereto.¹

The Commission, having considered the motion, the evidence of record and being advised, is of the opinion and FINDS that:

1. Columbia's motion should be granted in that KRS 74.050 sets forth the required procedures whereby payments can be made from funds of Pendleton County Water District ("Pendleton County"). This statute requires the Treasurer sign checks after

¹ Motion of Columbia filed April 26, 1985, at page 2.

receiving a warrant signed by the Chairman and co-signed by the Secretary.

2. The various water and gas bond ordinances of Pendleton County require all cash income and revenues derived directly or indirectly from the operation of Pendleton County be held in the custody of the Treasurer.

3. Even if KRS 74.050 and the various bond ordinances did not require that Columbia's motion be granted, the record in this case is replete with examples of the manager engaging in questionable practices that would warrant the Commission taking corrective action, e.g., authorizing payments from gas division funds for invoices clearly indicating responsibility for the bill rested with the water division or other utilities, authorizing prompt payment of bills submitted by firms in which Mr. Asher had an interest at the same time that current bills for gas supplied by Columbia went unpaid, and authorizing payment of health insurance premiums from gas division funds for non-employees.

IT IS THEREFORE ORDERED that, in accordance with the various bond ordinances, the Treasurer of Pendleton County shall take custody of any and all funds of the district, both water and gas-related, and that disbursements shall be made in accordance with the procedure set forth in KRS 74.050.

IT IS FURTHER ORDERED that the Treasurer, on behalf of Pendleton County, shall remove Harry Asher's name from any of the district's bank accounts and signature cards applicable thereto and the Treasurer, on behalf of Pendleton County, shall obtain

control of any and all assets of the district in the possession or control of Harry Asher.

IT IS FURTHER ORDERED that the April 26, 1985, motion of Columbia discussed herein be and it hereby is granted.

Done at Frankfort, Kentucky, this 22nd day of May, 1985.

PUBLIC SERVICE COMMISSION

Richard D. Herman
Chairman

Paul H. Jones
Vice Chairman

Commissioner

Laura Murrell did not participate in this decision.

ATTEST:

Secretary